

**Person-in-Community in Whitehead, Smith and Marx:
Exploring Marx's Concept of Class Through Smith's Concept of Social Order**

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Abstract

In this paper, we build on previously published work (Neesham and Dibben, 2012) which demonstrated the similarity between Smith, Marx and Whitehead as philosophers most interested in the nature of human experience, to argue both that our understanding of Smith is too market oriented and that, indeed, Marx paid very close attention to Smith's concept of social order in developing his concept of class. Using genealogical analysis (albeit minus the translation steps, in Marx's case), we will show that Smith's concept of social order was a key source for Marx's concept of class. Further, we argue it is of crucial historical importance, particularly in the context of current process thought re-interpretation of Marx in the light of traditional understandings of Smith, to note that economic theorists have chosen to put the full weight of Smith's 'Wealth of Nations' contribution on one mention of self-interest (WN: 39) and one mention of the invisible hand (WN: 331), instead of his concept of social order. This concept has its moral foundations in *The Theory of Moral Sentiments* (TMS) and finds economic expression in *The Wealth of Nations* (WN). It also constitutes the most coherent foundation for the argument that the two works (TMS and WN) are an integral part of the same philosophy; it is another expression of a person-in-community thesis. As such, we don't need to rethink Marx, but we do perhaps need to rethink Smith; his thinking (as opposed perhaps to the early commentators who cherry-picked from him) can genuinely contribute to an Ecological Civilisation founded on Whiteheadian process thought.

**Person-in-Community in Whitehead, Smith and Marx:
Exploring Marx's Concept of Class Through Smith's Concept of Social Order –
in terms of their philosophical interest in the nature of human experience.**

Introduction

We have one important piece of experience of the past 30 years: that is to ensure both the visible hand and the invisible hand are given full play in regulating the market forces. If you are familiar with the classic works of Adam Smith, you will know that there are two famous works of his. One is “The Wealth of Nations”; the other is the book on the morality and ethics. And “The Wealth of Nations” deals more with the invisible hand that are the market forces. And the other book deals with social equity and justice. And in the other book he wrote, he stressed the importance of playing the regulatory role of the government to further distribute the wealth among the people. If in a country, most of the wealth is concentrated in the hands of the few, then this country can hardly witness harmony and stability.

Chinese Premier Wen Jiabo, September 2008¹

In their ground-breaking work ‘Organic Marxism’, Philip Clayton and Justin Heinzekehr develop ‘an alternative to capitalism and ecological catastrophe’ by arguing that Adam Smith, the father of capitalism’ (2015:201), was ‘wrong’ (ibid:216), and that his ideas have led to the economic and social crisis of selfish free market capitalism guided by the oft-cited idea of ‘the invisible hand.’ In this paper we argue that there may in fact be something far more interesting in Adam Smith’s economic work than laissez faire free trade. Rather than placing the blame squarely at Smith’s door, a more balanced interpretation may lead us to conclude it is more accurate to suggest those who have sought to apply his thinking to develop Modern economics have been less-than fair in the selective way they have applied his thought. At the very least, the result is that these applications of Smith’s thought have in turn led to very recent thinking being – entirely unwittingly – somewhat one-sided.

To redress the balance a little, we will examine some of Smith’s work in the *Theory of Moral Sentiments* before going on to consider how Marx himself, the father of Communism, developed his thinking from Smith’s own work. First, however, we need to establish a more fundamental connection, namely the fact that Smith and Marx were, at heart, both concerned with the nature of human experience and the development of community. In this way, we build from previously published work (Neesham and Dibben, 2012), which showed how this was a common thread in the work of not only Smith and Marx but also the other philosopher Clayton and Heinzekehr use to develop their Organic Marxism, Alfred North Whitehead.

All three philosophers share a fundamental unease with the nature and role of business in not just economy but society as well. Indeed, each variously suggests that core societal drivers of what is good will most likely be lost to the greed of the profit motive, at the expense of human experience. However, to appreciate the links, it is necessary to delve into earlier work, at least in the case of Smith and Marx. In so doing, we are making the point that to understand Smith’s *Wealth of Nations* (1776) one simply must read it through

¹ Speaking on CNN at the time of the Global Financial Crisis that engulfed many Western capitalist liberal market economies, and in response to a question concerning the apparent contradiction of a *socialist* market economy. Quoted in Williams (2011:133).

his *Theory of Moral Sentiments* (1759). After all it is this work, not the later one, that Smith focused on in his academic career as Professor of Moral Philosophy alternately at Glasgow, Edinburgh and then again at Glasgow. *Wealth of Nations* was volume II, where volume I was the most important in the eyes of the philosopher himself, concerned as he was above all else with the human experience of social relations (Berry et al, 2013; for a more specific theological treatment, see Oslington (Ed), 2011²). Further, to understand Marx's *Capital* (1867) one has to read it through (amongst other early work) *Economic and Philosophical Manuscripts* (1844). We will argue that doing this allows us both to see Smith's economic thinking in a far broader and concerned person-in-community context, and also to see Marx's understanding of class in the light of Smith's understanding of person-in-community. We start, however, with Whitehead.

Understanding society in Whitehead, Smith and Marx

As John Cobb has pointed out (2007), the idea of person-in-community is a central aspect of Whiteheadian process thought. It places the primacy of existence on the experience of individuals as actively experiencing subjects. That is, while the external relation between one entity and another may be presentationally immediate to us, what matters most is not what happens to us but rather what we make of what happens to us (the internal relation) for ourselves and others. Process thought understands that the person has a unique experience of the community; "to be constituted by participation in the same community does not mean to be identical with others constituted by that participation" (2007: 578). Person-in-community also means that "the persons who make up the community differ from one another, and as the persons who make up the community change, so does the community that they make up. Both persons and community are always in process (ibid)." This means that in process thought one cannot see the community as separate from the people that make it up, but equally one cannot see the individual as separate from the community of which they are a part; to place emphasis on either is to misunderstand the processual nature of reality. Both require the other.

This allows us to appreciate that experience is the 'self-enjoyment of being one among many, and of being one arising out of the composition of many' (Whitehead 1929/1978: 220); interdependence, not dependence, is an ontologically given characteristic of nature. As such, the moment of experience is a self-determining, partially self-creating whole in which the present individual inevitably takes account of its past but turns it to its own use (see also Dibben, 2009). This is indeed the core point of the pan-experientialist account. We can now understand that the reproduction of the social environment in which we find ourselves and of which we are a part is continually created and recreated through our ongoing experience of mutual relations (Halewood, 2009; also 2008 and Halewood and Michael, 2008).

Can these ideas be found in Smith and Marx? In a recent analysis of the 2008 Global Financial Crisis in terms of Adam Smith's theory of economics Paul Williams argues 'Smith's vision for humanity is not the amoral utility maximising hypermobile free individual but rather one in which persons strive toward an ideal of neighbourliness, directed by the conscience of the impartial spectator which has been trained through prolonged relational attachment' (2011:137). In *The Theory of Moral Sentiments*, Smith finds that the social worship of wealth and greatness, while useful as nature's 'deception' to create social order and general wealth (1759 [2002]: 214-215), is in fact the central source of individual unhappiness (1759 [1976a]: 57):

'Are you in earnest resolved never to barter your liberty for the lordly servitude of a court, but to live free, fearless, and independent? There seems to be one way to continue in that virtuous resolution; and perhaps but one. Never enter the place from whence so few have been able to return; never come within the circle of ambition; nor

² We are grateful to Dr John Quiring of the Centre for Process Studies for indicating this remarkable book to us.

ever bring yourself into comparison with those masters of the earth who have already engrossed the attention of half mankind before you.'

Interestingly, a far more evocative explanation of the importance of the invisible hand for the distribution of goods within a community, according to the later labelled 'trickle-down effect', not in *The Wealth of Nations* but in *The Theory of Moral Sentiments* (Smith, 1759 [2002]: 215-216). Yet even in *Wealth of Nations*, Smith emphasises it is only conditions of natural liberty within a free society that ensure private vices, such as greed and selfishness, are transformed to produce public goods, that is goods benefiting the whole community, beyond what was originally intended (Smith, 1976b: 477-478). It is in these terms that Smith later discusses private prodigality and frugality, and their differently 'moralised' impact on a nation's economy (ibid.: 360). If society should not interfere with the individuals' opportunities to express, pursue and obtain the objects of their interest, the individuals themselves *are expected* to be able to convert their self-love into proper care for the furthering of their own condition. Such proper care is outside individual preferences; it refers not only to the basic skills involved in looking after oneself but also to being courageous (Smith, 1976c: 296), well-informed (ibid.: 282), and well-educated (ibid.: 305). We suggest this represents a very different understanding of the invisible hand than might be gleaned solely from *Wealth of Nations*.

For Marx, society is the indispensable medium in which individuals organise, primarily, their material life (1975: 298). In other words, like Adam Smith, human being (as a process or activity, as a verb in the gerund) is expressed socially as doing and having in the context of society (ibid.: 275-279). In the earlier Marx we find the suggestion that the solution may lie in conceiving human being as a harmonious, inter-supportive articulation between doing and having as inseparable aspects of humanness (ibid.: 283-284; 1998: 103-105). A good society should recognise human beings as socially relevant through the labour they produce rather than through the property they own. But a contrast can be made between, on the one hand, labour and property (forms of ownership) as human values and, on the other hand, commodified labour and private property (or capital) as externalised ('de-humanised') values.

Set in the context of a Whiteheadian process perspective, the similarities between Marx and Smith are readily apparent. Smith and Marx's interpretations of the roles of person in community, of human being in society are the mirror image of each other. Smith appears to focus on the key role of society as placing an expectation on individuals that they must act self-lessly as members of the community, whereas Marx appears to place the responsibility on society to recognise individual human values and turn them towards social relevance. There is inherent freedom of choice in the process Marx describes as 'rich experience', i.e. the appropriation of the world through the senses, an act of inseparable creation and ownership (Marx, 1975: 301-302 and above). Rich experience is an inherent good. What Smith might describe as 'self-love' is an inherent good, provided it is understood and employed in the manner Smith intended, that is as a vehicle for enriching human (socialised) experience rather than for acquiring transitory possessions.

The pursuit of profit at the expense of socially meaningful self-love and rich individual experience undermines the basis for a good society. Moreover, a system of economic transactions in which these two goods are neglected by the individuals themselves impoverishes them to an extent that, in the long run, will lead to undermining not only the moral progress of society but its material progress as well. Which is to say, like Whitehead, both Smith and Marx are concerned with understanding – each in their own way – the processual nature of person-in-community. Each philosopher is first and foremost concerned with the nature of human experience, and each in their own way appreciates the impact of that experience on the self and consequently society, and on society and consequently the self. Having demonstrated the person-in-community link between the three philosophers, we now turn to consider in particular just how Smith and Marx may be understood as singing from the self-same hymn sheet.

Marx and 'Necessary Class Conflict'

Marx's political economy has been criticised by neo-liberal economic theorists on the grounds that the thesis of necessary class conflict, on which 'unadulterated socialism' (Friedman 1970) is based, is unsubstantiated and contradicted by the very existence of the free market (Hayek 1944, Keizer 1994/2002). As a set of voluntary transactions occurring spontaneously, without third-party intervention, the free market is a system of co-operation in which two parties reach agreement without coercion, signalling that identity of interests is possible. The very act of free exchange questions the idea of necessary class conflict, defined as logical opposition of economic interests, as irrelevant to the central principles of a free-market economic system.

It is important to emphasise two points here. First we are not seeking to demonstrate how it is possible to conceive of and practise such a system while necessary class conflict of economic interests is still present. Second, we are also not seeking to show how capitalist free-market social orders create such necessary class conflict. Instead we are intending to engage in a genealogical study of Marx's concepts of class and necessary class conflict, thus laying the foundations for a new project of examining the role of class and class conflict within philosophical economic theory.

What does Marx mean by necessary class conflict? He contends (Marx, *EPM*, pp. 61-62) that an economy in a particular social order structures relations of production in such a way that the interests of one social class (i.e. the capitalist) is by logical necessity opposed to the interests of another social class (i.e. proletarian, or the worker):

‘... we have shown that the worker sinks to the level of a commodity and becomes indeed the most wretched of commodities; that the wretchedness of the worker is in inverse proportion to the power and magnitude of its production; that the necessary result of competition is the accumulation of capital in a few hands, and thus the restoration of monopoly in a more terrible form; and that finally the distinction between capitalist and land rentier, like that between the tiller of the soil and the factory worker, disappears and that the whole of society must fall apart into the two classes – the *property owners* and the *propertyless workers*.’

Cooperation in exchange is therefore not classless – but, for as long as property has superior social status to labour, will lead to a system that divides society into masters and slaves whose interests are, of necessity, perfectly opposed.

The genealogy of Hayek and Friedman's theories of free-market capitalism is well-documented by the authors themselves. They claim a natural affinity of their ideas with the work of Adam Smith (Friedman 1962, Hayek 1966), and in particular with *The Wealth of Nations* (1776). Less discussed (although rich documentation exists) is the genealogy of Marx's concept of necessary class conflict. This concept plays an extensive part in structuring the logic of *Das Kapital* (1867), and there are earlier references throughout Marx's work up to this point. Going backwards, as a genealogical approach requires, we encounter the concept in *Theories of Surplus Value* (1862), *The Class Struggles in France* (1850), *Wage Labour and Capital* (1847), and *The German Ideology* (1845).

Note, however, that the above quote, clearly outlining the concept of necessary class conflict as already formed, is extracted from Marx's obscure *Economic and Philosophic Manuscripts of 1844*, a piece of work he never intended to publish, and which appeared (under Engels's care) after his death. Remarkably, these *Manuscripts* are comprised of a series of notes on the classical political economists, in particular the French physiocrats (e.g. de Quesnay, Say), Adam Smith (who studied the physiocrats prior to writing *The Wealth of Nations*), David Ricardo and his school, and John Stuart Mill. In other words, the *Manuscripts* are Marx's literature review of political economy, preceding his life project of creating a political-economic system that changes the world rather than interprets it (Marx, *TF*, 1845).

In the following two sections we will use genealogical analysis to trace the conceptual progressions from Smith to Marx, as illustrated in *The Economic and Philosophic Manuscripts of 1844*. Typically, in this work, Marx starts with a direct reference to Smith's concept, then – often in the same paragraph – proceeds with a logical continuation of Smith's idea, sometimes using more radical language (new terms) to capture the idea, and sometimes revealing new implications. It is also important to remember that Marx read Smith in English but wrote his notes in German – so what we have is a posthumous translation (by 'strangers') of these notes back in English.

Smith's Concept of Social Order

In his *Manuscripts*, Marx gives full attention to a grossly overlooked part of Smith's work, namely the conclusion of Book I of *The Wealth of Nations*. From this conclusion, which is Smith's integrated account of the existing agricultural economic system explained in terms of a social order, Marx extracts several insights. First, three distinct social categories are identified, based strictly on the economic outcomes they rely on: the landlord yields rent, the farmer (who owns agricultural equipment) yields profits, and the labourer (who owns his labouring capacities) yields wages. This economic perspective of the social order is laid out as follows (Smith, *WN*, p. 178):

'The whole annual produce of the land and labour of every country... naturally divides itself... into three parts: the rent of land, the wages of labour, and the profits of stock; and constitutes a revenue to three different orders of people: to those who live by rent, to those who live by wages, and to those who live by profit. These are the three great, original, and constituent orders of every civilised society, from whose revenue that of every order is ultimately derived.'

Secondly, the interest of each of these three categories is then analysed in relation to what Smith calls 'the general interest of the society' (Smith, *WN*, p. 178). Accordingly, the landlord's interest is aligned with the general interest when he uses the land to extract rent by facilitating production (Smith, *WN*, p. 178):

'The interest of the first [the landlord]... is strictly and inseparably connected with the general interest of the society. Whatever either promotes or obstructs the one, necessarily promotes or obstructs the other.'

Furthermore, the labourer's interest is also necessarily aligned with the general interest, and Smith compassionately explains how a stagnant or declining economy most affects the class of labourers (Smith, *WN*, p. 178):

'The wages of the labourer... are never so high as when the demand for labour is continually rising... When this real wealth of the society becomes stationary, his wages are soon reduced to what is barely enough to enable him to bring up a family, or to continue the race of labourers. When the society declines, they fall even below this. The order of proprietors may, perhaps, gain more by the prosperity of the society than that of labourers: but there is no order that suffers so cruelly from its decline.'

On the other hand, when interest is purely based on profits, as is the case with the farmer in agriculture and, by extension, the capitalist in industry, such profits can be obtained from material dysfunctions of the existing order (Smith, *WN*, p. 179):

'...[T]he rate of profit does not, like rent and wages, rise with the prosperity and fall with the declension of the society. On the contrary, it is naturally low in rich and high in poor countries, and it is always highest in countries which are going fastest to ruin... The interest of the dealers..., in any particular branch of trade or manufactures, is always... different from, and even opposite to, that of the public. To... narrow the competition, is always the interest of the dealers... but... must always be against it [the interest of the public], and can serve only to enable the dealers, by raising their

profits above what they naturally would be, to levy, for their own benefit, an absurd tax upon the rest of their fellow-citizens.'

It is therefore Smith's economic theory of social class, as outlined above, that enables Marx to draw the following conclusion: if the worker's interest is necessarily aligned with the public interest and the capitalist's interest is necessarily contrary to it, then the worker and the capitalist are in necessary conflict (Marx, *EPM*, pp. 61-62).

Smith's language of necessity is particularly relevant here, as it transfers into Marx's account without modifications. A theorist in search of general laws of economics, in describing economic relations Smith is strictly interested in what happens necessarily rather than contingently. From the relationship between the landlord's share and the increase in produce, through to the transformation of labour value into capital and the positioning of each 'order' (class) in relation to the public interest – Smith's discourse invariably applies categorical terms (such as 'necessarily', 'naturally', 'every', 'never', 'must') to the characterization of these relationships (Smith, *WN*, pp. 177-179). Smith's conclusion about the nature of the capitalist's interests is also categorical:

...[merchants are] an order of men whose interest is never... the same with that of the public, who have generally an interest to deceive and even oppress the public, and who accordingly have, upon many occasions, both deceived and oppressed it. (Smith, *WN*, p. 179) The implications of Smith's thesis about social classes for political economy have been correctly observed by Arrighi (2007), who provides a compelling reading of Smith on this issue:

The interests of the first two orders (or social classes, as we would call them today), argues Smith, ... coincide with the general social interest because the real value of both rents and wages tend to rise with the economic expansion and to fall with the economic decline of society. The interests of profit earners, in contrast, ... clash with the general social interest, because they always involve a widening of the market and a narrowing of the competition. (Arrighi, 2007, p. 47).

The idea of logical opposition of interests between capitalists and labourers (in particular) is present in this interpretation as well – and this encourages us to argue that it remains perhaps the most coherent interpretation of Smith's text that is currently available.

Arrighi (2007) also identifies the point where Marx's concept of necessary class conflict departs from Smith's concept of opposing class interests: while Smith examines division of labour within the context of market transactions, Marx scrutinizes the insides of the (increasingly larger) industrial organization, where the 'social' division of labour becomes 'technical' (Arrighi 2007, pp. 77-78). This change of context also produces an important shift from the class-based opposition of interests identified by Smith through theoretical analysis to Marx's observations of actual conflicts occurring in the industrial organizations of his time:

In these abodes, Marx discovers that technical and organizational change originate, not just in the competition among capitalists and in the emergence of new specialized branches of trade and production, as Smith has already theorized, but also in the incessant conflict between capital and labor over wages and working conditions. (Arrighi 2007, p. 78)

While we note that Marx has extended the concept of conflict from a theoretical level (understood by Smith as logical opposition) to a practical one (now understood as concrete manifestation of class struggle as an outcome of the dialectics of history), it is also clear that Marx's concept of necessary class conflict (theoretically defined) originates in Smith's theory of social order as articulated in *The Wealth of Nations*. Note, in particular, that – at the time *The Economic and Philosophic Manuscripts* were written, dialectical

necessity was not yet articulated in Marx's philosophy. Therefore, at this stage, it is reasonable to assume that Marx too is speaking of nothing else but Smith's logical opposition of class interests.

Marx's Analysis of Smith

The continuity and progression of Smith's economic theory of social order into Marx's conception of class is clear. Moreover, it is made clear by Marx himself, when he suggests that the conclusion he draws about the two conflicting classes, as quoted above, is 'on the basis of political economy itself, in its own words...' (Marx, *EPM*, p. 61). This observation comes at the end of Marx's analysis of Smith's chapter. It is on this basis that Marx evaluates Smith's main contribution to reside precisely in formulating economic wealth in terms of labour and in placing the necessary class conflict between the profit-maker and the wage-earner at the centre of the social and political dynamics of the capitalist economic system (Marx, *EPM*, p. 86):

'It was likewise a great and logical advance of modern English political economy, that, whilst elevating *labour* to the position of its *sole* principle, it should at the same time expound with complete clarity the *inverse* relation between wages and interest on capital, and the fact that the capitalist could only gain by pressing down wages, and vice versa... the worker and the capitalist doing-down each other, is shown to be the *normal* relationship.'

Importantly, Marx distinguishes Smith from all predecessors and contemporaries for his 'enlightened political economy, which has discovered within private property the *subjective essence* of wealth' (Marx, *EPM*, p. 93) by relating it to labour as its central source of value. This is how Smith himself proposes to redefine the wealth of a nation (Smith, *WN*, p. 82):

'The liberal reward of labour, therefore, as it is the necessary effect, so it is the natural symptom of increasing national wealth. The scanty maintenance of the labouring poor, on the other hand, is the natural symptom that things are at a stand, and their starving condition that they are going fast backwards.'

Indeed, the most prominent claim that unifies the five volumes of Smith's work is that the wealth of a nation should be measured neither by the amount of gold in the Treasury, nor by the amount of land it can render to agriculture – but by the prosperity of the wage earner as the most disadvantaged in the social order. It is this perspective that leads Marx to agree with Engels in considering Smith 'the Luther of political economy' (Marx, *EPM*, p. 93).

Marx's reading of Smith also helps us understand some important historical details of Smith's context. Little attention is now being paid to the fact that Smith's main argument in *The Wealth of Nations* was built as a critique of the mercantile system. Moreover, in identifying Smith's theory of labour, Marx observes how Ricardo and his school further develop the path of forged by Smith in the analysis of industry and trade, and how in the process they emphasize private property over labour and objectify the status of the labourer in ways that Smith did not subscribe to. Marx makes scrupulous notes of how Smith's original humanism is lost in this transition (Marx, *EPM*, p. 95). He blames Ricardo for this loss, and considers 'McCulloch and Mill more guilty than Ricardo' (Marx, *EPM*, p. 177). The charge is laying out the laws of private property without understanding the human (subjective) dimension of labour as a more complex factor than a commodity, producing human value beyond economic value. Whereas in Smith we repeatedly find considerations of the human and social condition of the labouring poor, all the way to Book V (which is entirely about regulation), in Ricardo and subsequent political economists such considerations disappear.

We can therefore conclude that Marx's concept of class is logically and genealogically derived, without significant changes, from Smith's concept of 'order of society' (Smith, *WN*, p. 177). And, consequently, we are entitled to ask: what justifies appeal to Adam Smith's work to support a capitalist ideology of organization as applied in management studies today, when a historicist analysis clearly indicates that a labour ideology of organization can make (at least) an equally legitimate claim? Hence, it is a question of crucial historical importance to elucidate why economic theorists have chosen to put the full weight of Smith's contribution on one mention of self-interest (on p. 39) and one mention of the invisible hand (on p. 331) instead of his political-economic account of social classes. Smith develops a theory of social order whose implications have not been sufficiently explored. This theory has its moral foundations in *The Theory of Moral Sentiments* and finds economic expression in *The Wealth of Nations*. It also constitutes the most coherent foundation for the argument that the two works are an integral part of the same philosophy.

Implications for Understanding Ethical Action – from thinking to doing

We have shown how both Adam Smith and Karl Marx expressed considerable and near-identical concerns regarding the experience of people in economic society. We have also shown how, despite very different ontological premises, these concerns are discernible in the metaphysics of A.N. Whitehead and can be found inherent in the concept of person-in-community. Along with Smith and Marx, Whitehead lamented the trends in business he witnessed (Whitehead, in Johnson, 1959: 72-3):

The modern salesmanship associated with mass production..., the determined attempt to force completely finished and standardised products upon the buyers..., is producing a more deep-seated reason for the insecurity of trade. We are witnessing a determined attempt to canalise the aesthetic enjoyments of the population... But all intensity of enjoyment, sustained with the strength of individual character, arises from the individual taste diversifying the stream of uniformity. Destroy individuality and you are left with a vacancy of aesthetic feeling, drifting this way and that, with vague satisfactions and vague discontents.

The striving for goodness through individual novelty allows us to return to more fundamental questions related to the global crisis and the place of management and economics therein – and hence the possible role of an Organic Marxism in the development of an Ecological Civilisation. The potential for reassessing the role of economics in the development of the good society concerns the extent to which business corporations are capable of addressing themselves to an ecologically ethical civilisation. In Smith's system of natural liberty, the driver of social authority is the market *with* important qualifiers from government (Williams, 2011), while social authority beyond legislation is performed by appeal to self-interest. In Marx's advanced communist order, whatever remains of social authority is exercised solely at the level of civil society, through appeal to collective consciousness. For Whitehead, the market of potentials is garnered by the self-interested occasion for its own use in the drive towards conscious knowing of collective feeling.

This integration of market and society in process thought allows the philosopher Arran Gare (2008: 361-380) to suggest ethics itself needs to be transformed so as to be centrally concerned with the virtues required to develop and sustain desirable social forms. This involves an axiological repositioning, in terms of what are taken to be the problems of ethics and how ethical philosophy is understood (Macklin et al, 2014). To address global problems, Gare suggests ethics must concern itself with the virtues required to develop and sustain an ecologically aware democracy of individual action. From an inherently processual perspective, organizations of people must be able to re-orientate away from the needs of the market towards a more Natural and genuinely free orientation concerned with the common good (Dibben, 2017). Developing these virtues involves the revival of a feeling of mutual responsibility for creating a better

world. Such an ethics, Gare (2008) suggests, must not only provide guidance for action but also offer people a sense of their place and role in history, in nature and in inspiring the vision to motivate work geared for a better world (Dibben, 2017).

As a consequence of what Smith, Marx and Whitehead have emphasised in relation to individual behaviour, in addressing the need for an “organic way forwards, there is a core requirement for management to reconnect with the feelings of workers and with the feelings of society in general, rather than remaining irrevocably wedded to the profiteering demands and peer pressures of the stock market, to the detriment of all other values” (Dibben, 2017; also 2016). As the renowned Austrian and Marshallian economist Brian J. Loasby rightly suggests, Economics (and with it, we argue, Management as the activity of putting Economics *into practice*) – “should begin with the individual, [but unlike *Homo economicus*] it must be a social individual, because the individual does not exist apart [her] relationships with others” (2007: 1752).

Stripping the Subject Out

This paper has considered the fundamental process principle of person-in-community as seen in the work of A.N. Whitehead as well as in Adam Smith and Karl Marx. It has employed a genealogical approach to document the argument that Smith’s political economy is (what we may call) archetypal, in that it contains the seeds of both private property and labour ideology. It is a contingency of history, we argue, that Smith’s theory has been captured to serve the former and not the latter. Since, as Williams argues, ‘Smith differs from modern proponents of utilitarian economic orthodoxy’ (2011: 137), this is particularly unfortunate. It has become clear to us today that Friedman (1962) and Hayek (1966, 1971) appealed to Smith’s work in an attempt to found neoliberal ideas of the free market on a theoretical and cultural tradition of comparable weight and standing with social contractarianism (its main rival at the time³). About five decades after the event, given that the tradition of anti-socialist neoliberal thinking (stimulated by a long Cold War and its aftermath) has indeed been established, it would be most appropriate to credit Friedman and Hayek themselves with founding this tradition – thus freeing Adam Smith from erroneous attributions, in particular with regard to class-based economic relations, labour versus capital as sources of value, and the role of regulation in free markets.

Marx and Smith both correctly insisted that we cannot have a meaningful understanding of justice and equality in the absence of consideration of the distribution of both labour and the material wealth which is created via social activity, including physical, intellectual and cultural labour. Along with Whitehead, they both saw, in addition, that human beings are rich in the diversity of their talents, interests and needs and that man is more than a machine of consumption; the idolatry of money and things had no place within their respective visions. That idolatry impoverishes humanity. We must temper and modify the notion that either Marx or Smith were primarily concerned with distribution of material wealth, for this ignores their appreciation of the richer dimensions and relations within the human. They both insisted that we cannot meaningfully and sincerely talk of social justice, social order, harmony or stability in abstraction from the distribution of labour and wealth together.⁴

Like Whitehead and Marx, therefore, Smith represents common sense thinking that takes serious account of the subjective side of reality; when we focus on the subjective side of his philosophy, as Marx did and as we have in the foregoing discussion, person-in-community is obvious.⁵ Interestingly, a similar

³ This rivalry is illustrated in the publication of Hayek’s *Law, Legislation and Liberty* in 1973, only two years after John Rawls’s *Theory of Justice*.

⁴ We are grateful to Ronald Preston Phipps for pointing this out in conversation.

⁵ We are grateful to John B. Cobb, Jr for pointing this out in conversation, and for this section’s subheading.

genealogical analysis can be applied to examine the appropriation of Marx's political economy into Lenin's (1902/1973) theory of communism. Furthermore, in 'really existing socialism' (Feher, Heller & Markus, 1984), we note a substitution of capital for labour in the social hierarchy of economic relations, while similar master-slave relations are maintained. Whitehead's emphasis on the active Subject over the Modern science project's subsequent emphasis on the passive Object has been crucial in providing the means by which to comprehend what Smith's and Marx's first interpreters separately seem to have done to both these philosophers' ideas – and with what consequences.

Conclusion

Hence, in the context of an economic theory of the social order, Marx's project can be rephrased to read: owners of political decision making power have always (re)interpreted the master-slave relation, in various ways, to give political advantage to the social and economic attributes of their own class; the point is to transcend it. Both Smith's and Marx's political economies contain the seeds of such transcendence. In short, Marx adopted his concept of class from Smith's concept of social order; Smith and Marx are indeed singing from the same hymn-sheet. Yet each and every further development of these archetypal theories by their separate commentators – or to pursue the choral metaphor orchestrators – has led to a *tragic subversion* of the project.

We therefore suggest *applications* of Organic Marxism – the powerful combination of Marx and Whitehead intended to derive an alternative to orthodox understandings of capitalism that may thereby help discern a way towards an Ecological Civilization – to economies, as “leadership in building new” forms of civilization and order (Clayton and Heinzekehr, 2015: 243), might benefit not from rejecting Adam Smith as ‘wrong’ *per se*. For, like Whitehead and Marx, Smith was most concerned as a philosopher with the social nature of human experience. Instead, applications of Organic Marxism might usefully look to read and perhaps indeed incorporate not just Smith's *Theory of Moral Sentiments*, but even his *Wealth of Nations* treatise – when that work itself is understood more completely through the lens of his broader moral philosophy. As Karl Marx realised very early on, and Premier Wen Jiabo noted on CNN, there is much good to be found there for the project at hand.

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